Missouri Health Facilities Review Committee

believes the Certificate of Need (**CON**) Program must be strengthened to achieve the highest level of health for Missourians through cost containment, reasonable access, and public accountability.

CON is good for the State, Business and Community. Legislative reform and stable funding can make it even better.

Good for the State . . .

- CON saves the residents of Missouri over \$144 in capital expenditures for every \$1 spent to administer the program.
- The Committee pays its own way as evidenced by a 12-year net gain of almost \$152,000 (revenue over expenses) to the state treasury; and
- CON could prevent \$30 million annually in additional Medicaid billings;

Good for Business . . .

- Recent studies by DaimlerChrysler, Ford Motor Company, and General Motors found that their outlays per covered person were far less in states with CON than in states without CON (see charts on reverse side);
- The same studies found that diluting volume through proliferation of unnecessary and duplicative health services will actually diminish expertise, reduce quality, and drive up health care costs; and
- Blue Cross/Blue Shield, DaimlerChrysler, and the federal General Accounting Office studies have shown that, in health care markets, "supply creates demand".

Good for the Community . . .

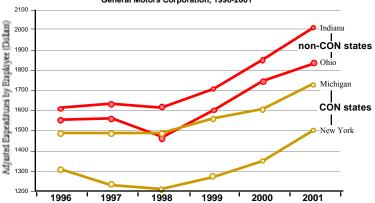
- As learned in other states without CON, providers will usually reduce services to rural, inner city, and high/special needs areas, and, instead, tend to locate services in more affluent, profitable areas;
- A recent university study proved that CON states have a 21% lower mortality rate for open-heart surgery than non-CON states, showing how high volume (often a proxy for quality) improves outcomes; and
- CON takes the public's long-term best interest into account by providing the local community a voice in the development of health care services.

Our investment in responsible CON today will assure lower cost, higher quality and more accessible health services tomorrow.

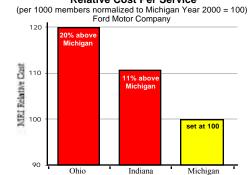
Adjusted Health Care Cost Per Person By Location and State CON Status

DaimlerChrysler Corporation, 2000 \$3,519 \$2,741 2000 \$1,839 \$1,331 \$1,000 Wisconsin Indiana Delaware Michigan New York

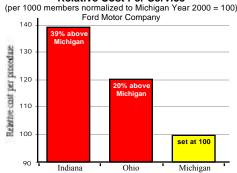
Adjusted Health Care Expenditures Per Employee By State and CON Regulation Status General Motors Corporation, 1996-2001



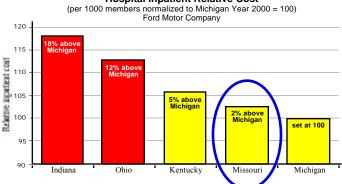
Magnetic Resonance Imaging (MRI) Relative Cost Per Service



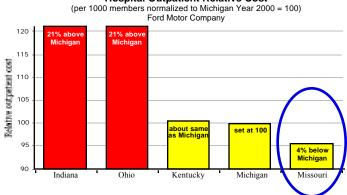
Coronary Artery Bypass Graft (CABG) Surgery Relative Cost Per Service



Hospital Inpatient Relative Cost



Hospital Outpatient Relative Cost



States Studied by the Big Three Automakers



. . . health care costs are lower in CON states . . .